GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Lands - APIIC - M/s. Krishnapatnam Power Corporation Limited - Change in line of activity from power generation to multi product industrial park and allocation of 97.31 acres of land for contiguity purpose - Orders - Issued.

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INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.115 Dated:09.11.2023.

Read the following:

1. G.O.Ms.No.300, Revenue (Assn.II) Department, dt.26.02.2009.
2. Representation from M/s. Krishnapatnam Power Corporation Limited, dt:18.03.2021, 15.02.2022 & 06.09.2022.
3. Minutes of the State Investment Promotion Board meeting held on 30.10.2023.

ORDER:

APIIC had issued provisional allotment orders to M/s. Krishnapatnam Power Corporation Limited (KPPCL) on 06.10.2008 for an extent of land measuring 1300 acres at Thamminapatnam & Mommidi villages of Chillakur (M), SPSR Nellore District for setting up of "Thermal Power Plant". Sale Agreement was executed & possession of land was also handed over on 03.06.2009. As the Company has not implemented the Project in the prescribed time limit, SCNs were issued to KPPCL by APIIC on 03.04.2010 & 20.04.2010 and the KPPCL replied to the SCN on 28.04.2010 that it is in process of obtaining statutory clearances & financial tie-up. Subsequently the Co., has sought additional allotment of 97.27 Acs on 29.03.2011. Further, on 27.05.2013, KPPCL informed that it has obtained statutory clearances for establishment of 1,980 MW of Thermal Power Plant and entered an MoU with GoAP on 01.01.2012 for establishment of additional 800 MW Power Project and therefore sought allotment of 97.31 Acs falling in the midst of the land already allotted. The APIIC Board in its 203rd Meeting held on 29.06.2015 decided that remarks of Energy Dept shall be obtained on the replies submitted by the Company and the Energy Dept in their Memo, dt.16.11.2015 has recommended the APIIC to allot 97.31 Acs to the Company. APIIC addressed to Energy Dept seeking further information.

(P.T.O.)

2. M/s KPCL vide their representation dated 16.6.2021, while narrating the chronological events on allotment of land by APIIC to their firm for establishment of Power Plant, has requested to instruct APIIC for allotment of balance land of 97.31 Acres and also for issuing of registered sale deeds in favour of KPPCL duly explaining their efforts to implement the Power plant which have been proved futile in the absence of allotment of balance land of 97.31 Acs.

3. Subsequently, M/s. KPPCL vide Repn., dt.15.02.2022 requested to change their line of activity from "Power Plant" to "Multi Product Industrial Park" stating that they are unable to obtain necessary clearances from various Depts due to the non-contiguity of the land and therefore, requested to allot the balance land of 97.31 Acs to them and further submitted that it was unable to commence construction for market factors and hence requested to change its line of activity from Thermal Power Plant, to make business by developing an industrial park. On this, VC&MD, APIIC remarked that the permission for changing the line of activity after a lapse of more than 10 years without taking any steps of Project implementation does not arise and further allotment of 97.31 Acs of additional land does not arise at this stage and execution of sale deed for non-implementation of Project over this 10 years also does not arise and hence, requested the Govt. to issue appropriate orders for cancellation & resumption of the land allotted in favour of M/s. KPPCL for better utilization by APIIC and in case allotment to be made now, the same may be considered as per current Allotment Regulations.

4. Vide representation dated 29.11.2022, the CEO., M/s. Krishnapatnam Power Corporation Limited stated the KPPCL has been making requests to allot the balance land of 97.31 acres for making the allotted land contiguous. KPPCL has sought the said 97.31 acres for the first time in the year 2010. APIIC, without looking into the aspects of contiguity of land, insisted all the years on implementation of the project. For any project of size and scale to be implemented, whether the project is for power generation or any other industrial purpose, needless to state, geographical contiguity of project land is a vital requirement without which no project can be successfully implemented. He further informed that KPPCL responded to various SCNs issued by APIIC, furnished progress reports detailing reasons for the delay occurred on account of obtaining various statutory approvals. He informed that KPPCL also submitted a KPMG report on

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commercial prospects of Thermal Power Projects in India) in generation of power / power sector, namely, the lack of adequate demand for power especially to Coal based Thermal Power, the importance / priority given by Central / State Governments for generation of Renewable Energy (Solar Power Policy of Central Govt.), the lack of support for funding the Thermal Power Projects by banks / financial institutions and private investors and this project location has multiple advantages such as proximity to Krishnapatnam Port, being an intersection point for both CBIC and VCIC and having very good connectivity to multiple demand centers. Hence, building an industrial park at this location will be a viable project. Further, he stated that as the proposal to setup Thermal Power Plant is not viable, the KPCPL proposes to develop requisite infrastructure for setting up of Multi Product Industrial Park in 3 phases, over a period of 10 years commencing from FY-2023, keeping in line with the Industrial Policy of the GoAP in the allotted lands catering to various sectors viz, Pharmaceuticals, Renewable and non-renewable energy / Power, Solar Power related, Medical devices, Electronics, White goods, Telecom & Networking equipment, Automobile & Auto components, etc and hence, requested the Government; (a) to permit change of line activity from 'Thermal Power Plant' to 'Industrial Park' (b) to allot balance Acs. 97.31 cts of land for contiguity (c) to issue registered sale deed to the already allotted area Acs. 1033.21 cts and the proposed additional area of 97.31 acre.

5. In the reference 3rd read above, the proposal has been placed before the State Investment Promotion Board (SIPB) meeting held on 30.10.2023 with the recommendations of the State Investment Promotion Committee (SIPC) meeting held on 20.10.2023. The SIPB has discussed the proposal in detail and agreed the following:

i. Change in line of activity from power generation to multi product industrial park, duly obtaining the specific timelines for implementation of project and to allot 97.31 acres of land as requested by the firm for contiguity, following APIIC allotment Regulations.

ii. SIPB also directed to follow the provisions of proposed new land allotment policy w.r.t the request of the firm for execution of sale deed.

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6. Government after careful examination of the proposal, hereby accord permission to M/s. Krishnapatnam Power Corporation Limited for Change in line of activity from power generation to multi product industrial park, duly obtaining the specific timelines for implementation of project and to allot 97.31 Acres of land to the Company for contiguity purpose by following APIIC allotment Regulations and the VC&MD., APIIC Ltd., is requested to follow the provisions of New Land Allotment Policy w.r.t. the request of the firm for execution of sale deed.

7. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited shall take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The VC&MD., APIIC Ltd., APIIC Towers, IT Park, Mangalagiri, Guntur District, A.P. - 522 503.
The Commissioner of Industries, APIIC Towers, IT Park, Mangalagiri, Guntur District, A.P
Copy to:
The CEO., M/s. Krishnapatnam Power Corporation Limited, Plot No.379, 2nd Floor, Jubliee Hills, Hyderabad-500033.
The General Administration (Cabinet) Department, A.P. Secretariat, Velagapudi. (W.r.t. the Council Resolution No.344/2023, dt.06.11.2023.)
The P.S. to Special Chief Secretary to C.M., A.P. Secretariat, Velagapudi.
The P.S. to Hon'ble Minister (III&C and IT), A.P. Secretariat, Velagapudi.
The P.S. to Chief Secretary to Government, A.P. Secretariat.
The P.S. to Secretary to Govt. & CIP., Ind & Com Dept, A.P. Secretariat.
SC/SF.

//FORWARDED BY: ORDER//

SECTION OFFICER